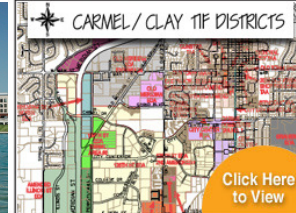




City of Carmel Redevelopment Commission

Presentation of the Umbaugh TIF Report

dated May 29, 2014



UMBAUGH

Loren Matthes, Principal

Heidi Ampsbaugh, Manager

Andy Mouser, Sr. Financial Analyst

July 16, 2014

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Summary of Designated Areas

- City Center Area
- 126th Street Area
- Merchants Square Area
- Merchants Pointe Area
- 2006 Merchants Pointe Area
- Illinois Street Area, Expansion Area and Amended Area
- Old Meridian Area and Expansion Area
- Old Town Area
- Hazel Dell South Area
- Hazel Dell North Area
- Carmel Drive Area
- Lauth-Walker Area
- Old Town Shoppes Area
- 2006 Old Town Shoppes Area
- Old Methodist Area
- Lurie Area
- Village of West Clay Area
- Meridian & Main Area (50%)
- 116th Street Centre Area (less Developer portion)
- Downtown EDA #1 Area
- Downtown EDA #2 Area
- CRC Parcel #12 Area
- Parkwood Crossing Areas

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126th Street Area, Illinois Street, and Old Meridian Areas



Commercial Offices, Retail,
Restaurants,
Hotels, Hospitals,
Senior Living Facilities



and Associates, Certified Public Accountants

IU Health North Hospital.

e

3

Old Town Area



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City Center Area, Downtown Areas 1 and 2



General Tax Increment

- **Designated Areas Tax Increment**
 - Estimated 2014 = **\$17,524,854**
 - Estimated to increase to \$25,397,302 in 2026
 - Designated Areas begin to expire in 2029 and thereafter
- **Midwest ISO Depreciable Personal Property (DPP) TIF**
 - 5/29/14 TIF Report assumes no current or future Tax Increment from the MISO DPP TIF
- **Barrington PILOT Payments**
 - Assisted Living Facility, anticipated exempt from property taxes
 - City Ordinance and Exhibit: payments in lieu of taxes (PILOT)
 - \$175,000 to \$350,000 annual PILOT Payments
 - Pay 2014: The Barrington did not file for exemption; site in EDA, not Allocation Area; no TIF
 - Assumes PILOT payments begin 2015 payable 2016
 - Anticipated to be distributed to CRC to pay obligations

Summary of Other Revenues

- **4CDC Grant Funds**
 - Carmel City Center Community Development Corporation (4CDC)
 - 2014 = \$338,000; 2015 & thereafter = \$400,000 per year
- **Civic Payments**
 - Booth Tarkington Civic Theatre of Indianapolis, Inc.
 - \$200,000 per year
- **Energy Consumption Payments**
 - Ranges from \$323,060 to \$1,261,294
- **Merchants Square Bond Excess**
 - One-time funds available after the defeasance of the TIF Revenue Bonds of 1998
 - 2014 = \$565,281
- **Revenue Reserves**
 - Energy Payments – \$1.5 million:
provides \$500,000 for 3 years (2013 – 2015)
 - Civic Payments - \$1.2 million:
provides \$200,000 for 6 years (2013 – 2018)

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Summary of CRC Obligations Paid-off and Refinanced in 2012

- Taxable Tax Increment Revenue Bonds of 2008
- Certificates of Participation (COPs), Series 2010A and B
- 8 Installment Purchase Contracts
- 7 Grant Agreements securing Lines of Credit
- 4 Land Sale Contracts

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Summary of Current District Obligations

(Paid from CRC Revenues)

- \$6,595,000 TIF Revenue Bonds, 2004A (Clarian/IU Health Guarantee)
- \$55,685,000 Lease Rental Refunding Bonds, 2014 (CIBs) PAC
- \$27,798,227 Lease Rental Bonds of 2005 (CABs) PAC
- \$4,175,000 Taxable COIT Revenue Refunding Bonds, 2006
- \$15,775,000 Certificates of Participation, 2010C (C COPs)
- \$115,900,000 Lease Rental Multipurpose Bonds, 2012A
- \$68,245,000 Lease Rental Multipurpose Bonds, 2012B (Taxable)
- \$6,535,000 Redevelopment District Bonds of 2013 (Illinois Street Bonds)
- Subordinate Developer Obligations (shown in Appendix C and D)
 - \$9,200,000 Senior EDC Bonds, 2011A (Lofts - Sophia Square)
 - \$4,500,000 Replacement Secondary Installment Contract #1
 - \$1,000,000 Replacement Secondary Installment Contract #2 (RSICs)

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TIF Report - Appendices

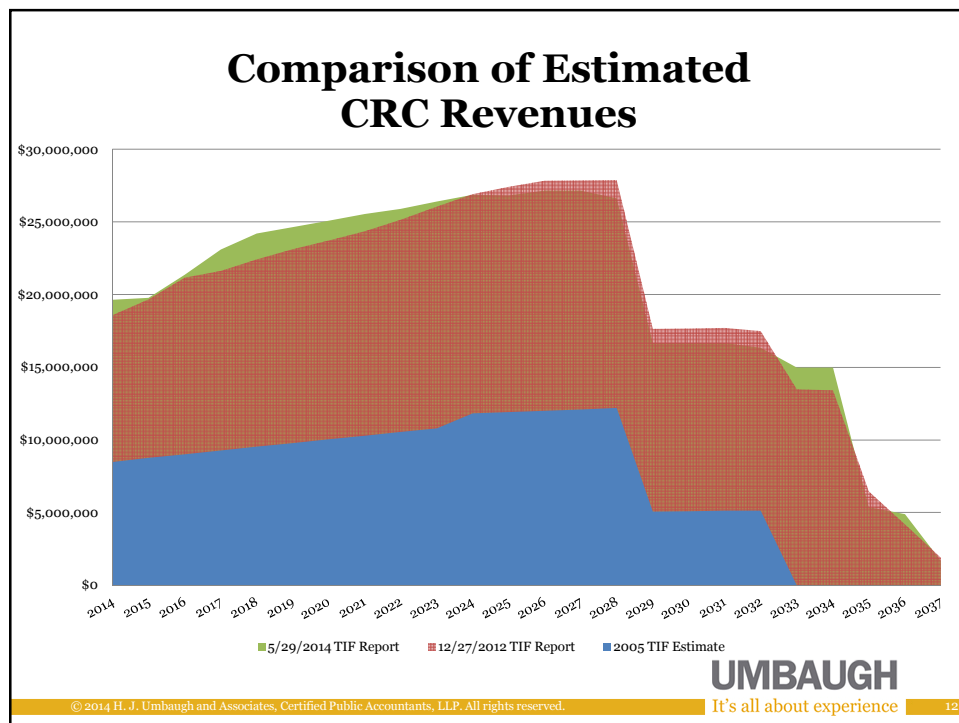
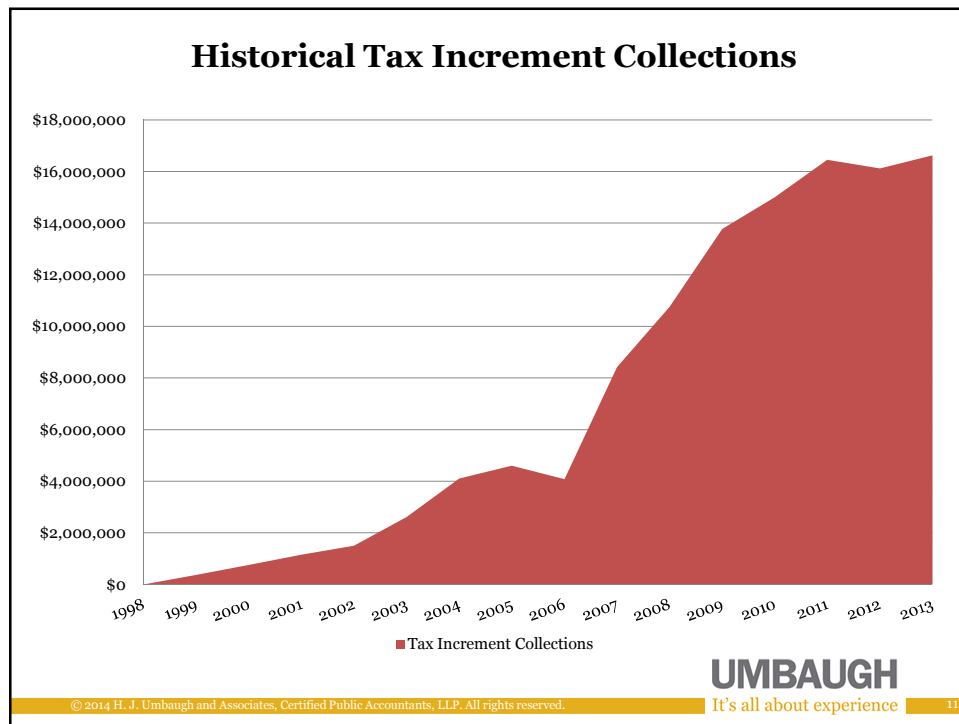
- **Appendix A – TIF Risks**
- **Appendix B – Amortization Schedules of Outstanding CRC Obligations**
- **Appendix C – Arts District Lofts & Shoppes TIF (Sophia Square Project)**
 - TIF Estimate and Outstanding EDC Bonds 2011A
- **Appendix D – Village Financial Restated Secondary Installment Contracts (RSIC)**
 - Special Calculation of (Pecor) Existing Improvement Increment (part of BIG TIF), Allocated portion of \$17 MM Harris Loan (part of 2012 Refinance Multipurpose Bonds) and \$5.5 MM RSICs to calculate estimated payment or deferment of interest and principal on RSICs
 - Deferred interest and principal paid from BIG TIF/CRC Revenues in 2030 thru 2034 (subordinate) (Deferred amounts are included in District Obligations on page 16)
- **Appendix E – Revenue Deposit Agreement and Amendments**

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Significant additions to the CRC Revenue Estimate

(Changes since 12/27/12 TIF Report)

- New Developments added or moved up:**

12/27/12 TIF Report

- Highpointe Senior Living & Apts - payable 2017
- Sophia Place Parcel 92 – payable 2016
- Bridges PUD Development (was 25%; now 100%) and Future Development 50/50 TIF Split
- Anderson Birkla “The Mezz” and Nash Buildings in City Center
- Hotel Indigo
- Browning Medical Office Buildings
- Penn Circle Apts & Mixed Use
- 116th Street Centre Apts Phase 2
- Edward Rose Apts Phase 2

Additions in 5/29/14 TIF Report

- Atapco Apts, retail, office and demo of existing buildings
- Health & Wellness Suites of Carmel (assisted living)
- Horizon Bank
- Point Blank Gun Range
- Penn Circle (Phase 2 apartments)
- Drury Hotel and Restaurant (Parkwood Area)
- St. Vincent’s Women’s Center (assumes taxable)
- The Bridges PUD – Giant Eagle Grocery & Get and Go Gas Station
- Project Blue: Hyundai; \$8.1M AV to CRC; Excess to Developer
- Grand & Main Project 75/25 TIF Split (was on Future Development listing @ 100%)

- Added Merchants Square and Merchants Pointe TIF Revenue**

(Plus one-time remaining MS Bond funds – 2014 only)

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Significant Decreases to the CRC Revenue Estimate

(Changes since 12/27/12 TIF Report)

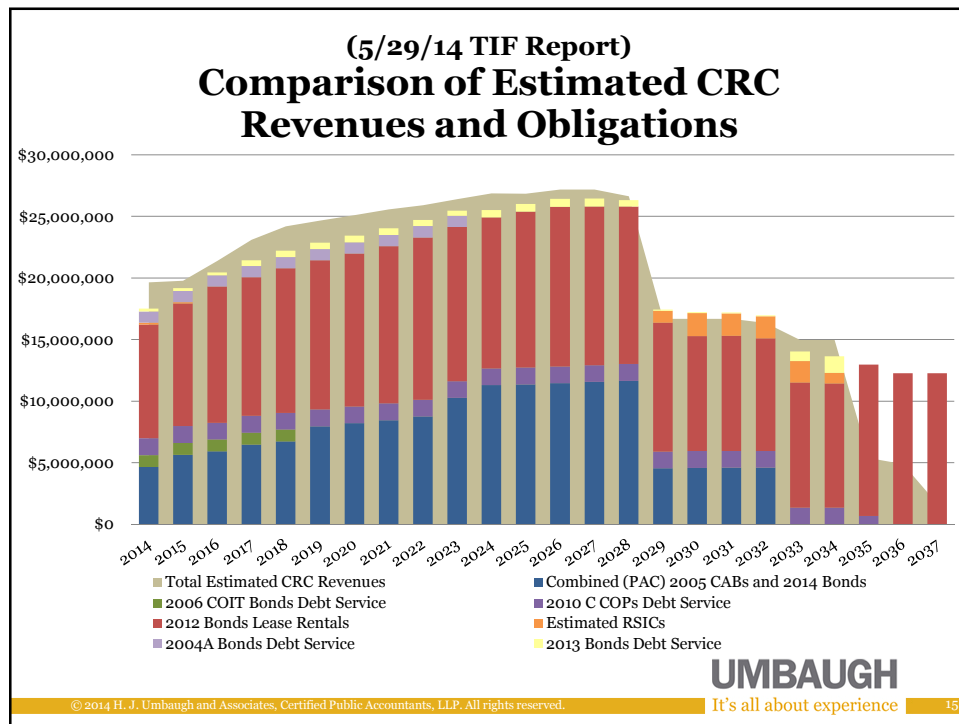
- **Decrease in Tax Rate:** 2013 = \$1.8651 2014 = \$1.8453 Variance = (\$0.0198)
- **Residential Parcels:** TIF database now includes negative incremental AV from residential parcels
- Annual AV loss of \$1MM = Annual TIF loss of \$18,000
- **2013 TIF distribution error:** reduced 2014 TIF estimate for County Auditor error in 2013 TIF distribution calculation and school referendum calculation, which impacts June 2014 distribution (2014 TIF loss of \$100,000)
- **IU Health Expansion removed from TIF Estimate** - AV loss of \$23.4MM = Annual TIF loss of \$431,000
- **Pushed-back timing on several New and Future Developments**
- **Decrease in annual 4CDC Grant Funds** - Revenue loss of \$357,000/yr
- **Removed Developer Payments from Keystone Corp.** – Revenue loss of \$200,000/yr (2013 – 2016)
- **Removed 1% annual increase in assessed values for Market Value changes**
- **Removed Revenue Loss Adjustment**
- **Reduced Grand & Main Development (Edward Rose Apartments)**

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Comparison of Estimated 2014 CRC Revenues and Obligations

	2005 TIF Estimate	12/27/12 TIF Report	5/29/14 TIF Report
Total Estimated TIF	\$8,489,950	\$16,978,413	\$17,524,854*
4CDC Grant Funds	0	757,603	338,000
Civic Payments	0	200,000	200,000
Energy Consumption Pmts	0	1,310,103	323,060
Other Revenues (2014)	0	(650,000)	1,265,281
Total Estimated CRC Revenues	\$8,489,950	\$18,596,119	\$19,651,195
CRC Debt Obligations	\$8,035,175	(\$17,344,230)	(\$17,524,082)
Estimated Surplus	\$454,775	\$1,251,889	\$2,127,113
Estimated Coverage	105.66%	107.22%	112.14%

*Added TIF Areas to the General TIF Revenues.

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Revenue Deposit Agreement

- **Original Agreement** 11/20/12
 - Established procedure for the Clerk-Treasurer (CRC Treasurer) to set aside the General Tax Increment when received to ensure timely payment of CRC Obligations (2013 Bonds, 2010 C COPs, 2012 Bonds, and 2005/2014 PAC Bonds)
 - Establishment of **Supplemental Reserve Fund** to be funded by Parkwood TIF Revenue after pay-off of Parkwood EDC Bonds in 2014
 - Additional protection against TIF shortfall and Special Tax levy
- **First Amendment** 12/05/13
 - Prioritize set-aside of TIF Revenues from Illinois Street Areas and 126th Street Areas to pay 2013 Bond debt service
 - Added Merchants Square Allocation Area to Designated Areas
- **Second Amendment** 05/29/14
 - Refunding of 2005 PAC Bonds – CIBs only
 - Required deposit of General Tax Increment equal to savings from the 2014 Refunding into the Supplemental Reserve Fund

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